

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF SEBASTIAN) APPEAL NO. 07-A-2672
HARGROVE from the decision of the Board of) FINAL DECISION AND
Equalization of Valley County for the tax year 2007.) ORDER

VACANT LAND APPEAL

NOTICE OF APPEAL was filed August 28, 2007, by Appellant, from a decision of the Valley County Board of Equalization (BOE) modifying the protest of the valuation for taxing purposes of property described as Parcel No. RPM05090000440A. As a matter of convenience, Appellant requested this appeal be heard on the written record, without appearance at a hearing. This Board subsequently requested all information and evidence for consideration in this matter be submitted by both parties in writing. The Board now issues its decision based upon the documentary record.

The issue on appeal is the market value of vacant land.

The decision of the Valley Board of Equalization is reversed.

FINDINGS OF FACT

The total assessed land value is \$196,530. Appellant requests the land value be reduced to \$149,000.

The subject property is a sloped, vacant lot consisting of .448 acres located in the Aspen Ridge Subdivision in McCall, Idaho.

Appellant asserted the assessed value of subject for tax year 2007 was too high. Originally, Taxpayer received an assessment notice in the amount of \$245,660, which was appealed and subsequently reduced to \$196,530 at BOE. Appellant requests the value be further reduced to \$149,000.

In May of 2006, subject was listed for sale for \$175,000 and when no offers were made,

the asking price was reduced to \$167,000. After no offers were received at the lowered sale price, subject's asking price was further reduced in May 2007 to \$155,000. Subject is currently on the market for \$129,000 and Appellants have yet to receive any offers, despite the work of the realtor and the placement of advertisements in various magazines.

Taxpayer asserted that subject had some negative characteristics that made it difficult to sell. Subject is relatively steep and would require extensive excavation to construct any building. Additional cost would diminished the land value for prospective buyers. Additionally, the view from subject is lacking. Trees can be seen below the lot but the lake is barely visible.

Appellant presented five property sales to compare to subject. These properties ranged in price from \$135,000 to \$155,000 and in size from 0.36 to 0.65 acres. The sales took place between July 2006 and June 2007.

Taxpayer stated that many of the sale properties were larger in size than subject. One was approximately four times larger. Appellant created a subset of the County comparable properties, which consisted of only those properties that were within +/-25% the size of subject. Appellant stated these properties, which were closer in size to subject, would be more reflective of subject's value. The properties ranged in size from 0.368 to 0.503 with sale prices between \$115,000 and \$241,000. Appellant asserted that subject should fall on the lower end of the price range because the two highest priced properties had clear views of the lake.

The Assessor presented three sets of sale properties to support the assessed value of subject. The first group consisted of the sales submitted by Appellant; all but two of which the Assessor was already aware. The assessed values of Appellant's sale properties were compared to sale prices, which indicated an assessment level or ratio of 94%. The second group was made up of sales used for the 2007 tax year assessment that were not submitted by

Appellant. These sales ranged in price from \$155,000 to \$262,500 and in size from 0.3 to 0.87 acres. Additionally, the County presented 2007 sales that would be analyzed for 2008 assessments. These properties ranged in sale price from \$150,000 to \$400,000 and in size from 0.428 to 1.146 acres. The assessed values were compared to the sale prices which indicated an assessment level or ratio of 94%.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following conclusions.

Both parties submitted numerous sales to support their respective value claims.

The County analysis of sales indicated an acceptable level of assessment when the assessed values were compared to the sale prices.

Idaho Code requires property be assessed at market value for property tax purposes.

Idaho Code § 63-201. Definitions --

(10) "Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Idaho Code also defines the lien date , or the effective date of the assessment.

Idaho Code § 63-205. Assessment – Market value for assessment purposes

(1) All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission.

In this case, the Board finds the information submitted by the County generally supported overall assessments with a 94% assessment to sale price ratio.

“The value of property for purposes of taxation as determined by the assessor is presumed to be correct; and the burden of proof is upon the taxpayer to show by [a preponderance of the] evidence that he is entitled to the relief claimed.” Board of County Comm’rs of Ada County v. Sears, Roebuck & Co., 74 Idaho 39, 46-47, 256 P.2d 526, 530 (1953).

Appellant submitted information more specific to subject. Appellant’s sales involved lots within subject subdivision which sold between 2005 and 2007. Additionally, the Taxpayer analyzed the County sales and noted several of the sale properties were much larger in size than subject. The analysis was based on a specific comparison of the sales to subject.

Appellant’s 2007 sales occurred beyond the Jan 1 lien date so they cannot be considered here. Even without the 2007 sales, the evidence supports a reduction in value.

In this case, the Board finds Appellant’s claim for reduction is well supported, and the decision of the Valley County Board of Equalization is reversed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed lowering the assessed value to \$149,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED April 30, 2008